



DEPARTMENT OF CONSERVATION  
STATE OF CALIFORNIA

July 10, 2003

Notice

To: All Interested Parties

Subject: Court Ordered Revised Retroactive Processing Fees for  
Calendar Year 2002

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Pursuant to final judgment in Californians Against Waste v. Department of Conservation of the State of California et al. (CAW v. DOC), the Department of Conservation (Department) is ordered to "calculate processing fees for 2002 and thereafter pursuant to subdivisions (e) and (f) of Public Resources Code Section 14575 on the basis of processing payments calculated pursuant to subdivision (b) of the Public Resources Code Section 14575 for each beverage container sold."

The processing fees for 2002 originally noticed December 17, 2001 were based upon sales with no factor applied to account for the containers returned for recycling. This was in response to an initial court decision in CAW v. DOC. As a result of an appeal and stay on the case, the Department revised the processing fees on January 24, 2002 to apply a factor to account for the containers returned for recycling.

The final judgment requires the Department to collect processing fees for 2002 based upon sales as described in the schedule published in the original Notice of December 17, 2001.

Section 14575 of the Public Resources Code requires the Department to establish a processing payment and processing fee for any beverage container type that has a scrap value less than the cost of recycling. (The Department makes processing *payments* to processors. Processors pay recycling centers the entire processing payment. Beverage manufacturers pay processing *fees* to the Department.) This Notice implements the court ordered retroactive processing fees for calendar year 2002.

Table I, attached, shows for glass, plastic and bimetal beverage containers:

- The cost of recycling;
- The scrap value paid to recyclers;
- The previously revised 2002 processing fees payable by beverage manufacturers; and
- The court ordered retroactive 2002 processing fees payable by beverage manufacturers.

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The court ordered retroactive 2002 processing fees are effective immediately and apply to beverage containers sold between January 1, 2002 and December 31, 2002.

By August 1, 2003, beverage manufacturers who have previously submitted reports and processing fees for 2002, will be sent a **“Retroactive 2002 Processing Fees Summary” (PF Summary)** showing the exact amount owed for the court ordered retroactive 2002 processing fees. All retroactive 2002 processing fee assessments are due and payable within 60 days, by September 30, 2003. Any balance of the retroactive 2002 processing fees that are not paid within the 60-day grace period shall accrue interest equivalent to the most recent semi-annual yield rate for the State Pooled Money Investment Account as published on the California State Controller’s website, [www.sco.ca.gov/ard/pooled/pmia.pdf](http://www.sco.ca.gov/ard/pooled/pmia.pdf), beginning on August 1, 2003 and must be received by June 30, 2004. Balances for retroactive 2002 processing fees submitted after June 30, 2004 will be subject to civil penalty assessment, additional interest and/or collection actions.

Subsequent Beverage Container Recycling Fund Account Summaries, routinely processed for beverage manufacturers on the 20<sup>th</sup> of each month, will include the balances of any unpaid retroactive 2002 processing fees.

For beverage manufacturers who have not previously submitted their 2002 processing fee reports and payments, all 2002 processing fees are due and payable immediately at the court ordered retroactive 2002 processing fee rate. Interest will be assessed from the date each processing fee report and payment were due (the 10<sup>th</sup> day of the second month following the sales of beverages).

To review notices of changes impacting participants in the beverage container recycling program, please visit the Department of Conservation’s Beverage Container Recycling home page on the internet at [www.consrv.ca.gov/dor/index.htm](http://www.consrv.ca.gov/dor/index.htm).

If you have questions regarding the retroactive processing fee repayment process, please contact your account representative as stated on your Account Summary or contact the Client Services Section, Industry Services Branch, at (916) 327-7361.

Darryl Young  
Director

Table I										
Court Ordered Retroactive 2002 Processing Fees										
Glass, Bimetal and Plastic										
	Glass	Plastic							Bimetal	
		PET	HDPE	Vinyl	LDPE	PP	PS	Other		
Cost of Recycling per Ton with Reasonable Financial Return	\$88.73	\$600.90	642.69	\$642.69	\$642.69	\$642.69	\$642.69	\$642.69	\$642.69	\$364.47
Scrap Value per Ton	\$15.43	\$129.96	\$169.44	\$3.49	\$23.98	\$8.54	\$1.33	\$0.31	\$0.16	
Processing Fee to be Paid by Beverage Manufacturers										
Revised 2002 Processing Fee Paid by Beverage Manufacturers per Container Sold	\$0.00266	\$0.00184	\$0.00255	\$0.00035	\$0.00009	\$0.00088	\$0.00006	\$0.00084	\$0.00039	
Court Ordered Revised Retroactive 2002 Processing Fee to be Paid by Beverage Manufacturers per Container Sold	\$0.00493	\$0.00540	\$0.01160	\$0.00695	\$0.00181	\$0.00881	\$0.00115	\$0.01673	\$0.00772	